Speaker's Advisory Committee On Tax Reform: Tax Reform Package

	A	В	C D	Е
1	Tax Restructuring Components	(Cost) / Savings	Tax Restructuring Components	(Cost)/ Savings
2	3		Sample Samp	
3	Property Tax Relief - Real Property		Municipal Service Payment in Lieu of Property Tax Payments	
4				
5	Keep the Homestead Property Tax Reimbursement Program without any changes		Authorize municipalities to establish a municipal cost component for services provided to owners of property exempt from the property tax and to assess a municipal cost of service fee against these properties, including governmental properties. The determination of the fee against each property tax exempt parcel or lot must take into consideration the characteristics of each lot, such as number and square footage of buildings, if any, equipment, other facilities, etc.	
6				
7	Expand the Circuit Breaker Program . Reduce the tax-to income threshold to 3%, increase the maximum rebate to \$5,000, increase eligibility to \$45,000 for single filers and \$75,000 for multi-member households, and increase the renter percentage to 25 percent. Provide for a refundable tax credit on the income tax form.	(\$41,800,000)	A Commission composed of state, county, and regional officials and a representative of the Maine Municipal Association could be established to develop a formula or process for municipalities to use to determine the municipal cost of service component for tax exempt property.	
8				
	Revenue Sharing. Keep revenue Sharing 1 in its present form, including application of the Consumer Price Index to increases in this program. Increase from 5.1% to 6.0%, the percentage of sales and income tax revenues allocated to Revenue Sharing. Increase the threshold mil rate from 10 mills to 15 mills over a 5 year period that a municipality must meet to qualify for Revenue Sharing 2.	(\$16,900,000)	Earned Income Tax credit. Increase the Earned Income Tax Credit to 30% of the Federal Rate.	(\$34,991,628)
9				
10	Describe Toy Delief Described		Personal Franchisco	
11 12	Property Tax Relief - Personal Property		Personal Exemption	
	Exclude from the personal property tax, new investment made by capital intensive firms, manufacturing firms, telecommunications and non-retail firms. Subject retail establishments to the personal property tax. All current property in the BETR program will remain exempt from the personal property tax following its exit from the BETR program. The BETR program will be eliminated once all current personal property in the program has been removed from the program.		Conform with the Federal Income Tax Credit provision and increase the personal exemption to make it the same as the Federal exemption.	(\$10,159,716)
13				
14	The Constitutional requirement that the State reimburse		Sales Tax	
15	municipalities for 50% of revenue losses from changes in the personal property tax will remain in effect.		Increase the Sales tax base by \$200 million or more to fund	
16	Increased funding for Revenue Sharing will also offset reduced personal property tax revenues		property tax relief and further reductions in personal property tax revenues.	
17 18	The State, for a fee charged to municipalities, will assume responsibility for assessing personal property valued at \$10 million or more.			

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Tax Restructuring Components 19		А	ВС	D	Е		
20 Reduce the Volatility of State Revenues 21 Budget Stabilization Fund 22 Budget Stabilization Fund would be funded "off the top" from the General Fund at a rate of 2% of total revenues. Any actual revenues in excess of a specified percentage of projected revenues will be divided among, and other uses. The Budget Stabilization Fund will be capped at 12% of General Fund revenues. 24 The Database of Stabilization Fund would be funded "off the top" from the General Fund at a rate of 2% of total revenues in excess of a specified percentage of projected revenues will be divided among, and other uses. The Budget Stabilization Fund will be capped at 12% of General Fund revenues. 25 Commission will consist of representatives of manicipal, county, and state governmental services, to include for the presiding officers of the State Legislature will appoint the commission. 26 The Covernor and the presiden gofficers of the State Legislature will appoint the commission will consist of representatives of manicipal, county, and state governments as well as representatives of the private sector and the general public. 27 The Covernor And the presiden gofficers of the State Legislature. 28 Single Filers: Up to \$47,199 = 2.0%; \$4,200 to \$5,349 = 4.5%; \$8,350 to 316,700 = 7.0%; and more than \$16,700 = 8.5%. 29 Heads of Households: Income tax brackets are 1.5 times the brackets for single filers. 29 Two Income Tax Models 20 Top Rate Reduction Model 30 Top Rate Reduction Model 31 Flat Rate Model 32 The Rate of 6.5% 33 Married Filing Jointly 34 Married Filing Jointly 35 Flat Rate of 6.5% 36 Apply the 7.5% rate to incomes over \$69,600 37 Total Cost - Includes Earned Income Tax Credit and Increased Personal Exemption (\$140,151,344) 48 Heads of Households: Income tax brackets = 1.5 times the brackets of single filers. 49 Total Cost - Includes Earned Income Tax Credit and Increased Personal Exemption (\$140,151,344)					` '		
27 Budget Revenues 28 Budget Stabilization Fund 29 Budget Stabilization Fund 20 Commission on Efficient Delivery of Services 30 The Budget Stabilization Fund would be funded "off the top from the General Fund at a rate of 2% of total revenues. Any actual revenues in excess of a specified percentage of projected revenues will be divided among funding additional tax relet, the Budget Stabilization Fund, and other uses. The Budget Stabilization Fund will be capped at 12% of General Fund revenues. 20 Single Filers: Up to \$47,199 = 2,0%; \$4,200 to \$8,349 = 4,5%; \$8,350 to \$46,700 = 7,0%; and more than \$16,700 = 8,5%; Married Filing Jointly. Up to \$8,399 = 2,0%; \$8,400 to \$6,349 = 4,5%; \$8,750 to \$54,000 = 7,0%; and more than \$16,700 = 8,5%; Married Filing Jointly. Up to \$3,399 = 2,0%; \$8,400 to \$6,349 = 4,5%; \$8,750 to \$35,400 to \$6,340 = 4,5%; \$8,750 to \$35,400		Tax Restructuring Components	Savings	Tax Restructuring Components	Savings		
Budget Stabilization Fund		Daduca the Valetility of Ctate Davenue		Compalidation/Dogionalization			
Commission on Efficient Delivery of Services		Reduce the volatility of State Revenues		Consolidation/Regionalization			
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Current Personal Income Tax Brackets and Rates Single Filers: Up to \$47,199 = 2.0%; \$4,200 to \$8,349 = 4.5%; \$8,350 to \$16,700 = 7.0%; and more than \$16,700 = 8.5% Married Filing Jointly: Up to \$8,399 = 2.0%; \$8,400 to \$16,699 = 4.5%; \$16,700 to \$33,400 = 7.0%; More than \$33,400 = 8.5%. Heads of Households: Income tax brackets are 1.5 times the brackets for single filers.		top" from the General Fund at a rate of 2% of total revenues. Any actual revenues in excess of a specified percentage of projected revenues will be divided among funding additional tax relief, the Budget Stabilization Fund, and other uses. The Budget Stabilization Fund will be		Legislature an implementation plan for the efficient delivery of local, regional, and state governmental services, to include, but not be limited to: regionalization of administration and implementation of services. 2. The Governor and the presiding officers of the State Legislature will appoint the commission. 3. The commission will consist of representatives of municipal, county, and state governments as well as representatives of the private sector and the general public. 4. The Commission will report its findings and recommendations, including any necessary implementing legislation to the Second Regular Session of the 121st.			
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Total Cost (\$95,000,000) Single Filers - Income tax brackets = one-half of tax brackets for married filing jointly. Single Filers - Income tax brackets = one-half of tax brackets for married filing jointly. Heads of Households - income tax brackets = 1.5 times the brackets of single filers. Heads of Households - income tax brackets = 1.5 times the brackets of single filers. Total Cost - Includes Earned Income Tax Credit and Increased Personal Exemption (\$58,700,000) (\$58,700,000) Total Cost - Includes Earned Income Tax Credit and Increased Personal Exemption (\$140,151,344) Total Cost - Includes Earned Income Tax Credit and Increased Personal Exemption (\$140,151,344)		Flat Rate of 6.5%	\$0				
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44 45 46							
45 46		Increased Personal Exemption	(\$58,700,000)	Increased Personal Exemption	(\$140,151,344)		
46							
		Total Additional Revenues - First Year Only	\$158 314 076	Total Additional Revenues - First Year only	\$158 314 076		